



**TESTIMONY OF
St. Vincent's Medical Center
SUBMITTED TO THE
APPROPRIATIONS COMMITTEE
Friday, February 14, 2014**

**HB 5030, An Act Making Adjustments To State Expenditures For The
Fiscal Year Ending June 30, 2015**

St. Vincent's Medical Center appreciates the opportunity to submit testimony concerning **HB 5030, *An Act Making Adjustments To State Expenditures For The Fiscal Year Ending June 30, 2015***. Since the passage of the biennium budget this past May, CHA and its members have been working with the Office of Policy and Management (OPM) and the Department of Social Services (DSS) to develop a new payment framework for acute care hospitals that provides stable and predictable resources to hospitals while improving care and controlling costs. Our mutual goal has been to develop and implement that framework by July 1, 2014.

St. Vincent's Medical Center suffered from last year's budget actions, which imposed a tax of \$336 million on hospitals over the biennium. We've done extraordinary things to minimize the impact to patient care. But it is very challenging. The budget actions last year resulted in the elimination of 100 positions at St. Vincent's in 2013, impacting 50 staff members who were laid off. The layoff affected all employee levels. We reduced Paid Time Off by an equivalent of two full days for each full time employee. In addition, no merit increases were budgeted across the entire organization for fiscal year 2014 and we made changes to our benefit structure placing more of the financial burden on all employees. We also eliminated a diabetes education program and closed a school that had been operated in order to serve high school students in need of alternative education. The cuts continue to place stress on our operations in this current fiscal year as we build our upcoming budget knowing that we have another significant reduction to address in 2014-2015. We are diligently exploring additional cost saving opportunities, including outsourcing of services, shared service centers, consolidation of services and possible changes in scope of services. Continued/sustained hospital reimbursement cuts will result in additional negative impacts to the level of associates employed within the state, levels of compensation and access to care that is currently depended on by the communities we serve.

Altogether, in the last year, Connecticut hospitals have eliminated more than 1,400 jobs, reduced staff salaries and benefits, reduced some services, and postponed investments in technology and infrastructure. This is having a negative effect on the state economy. But we are hopeful that we can improve the situation as well as the quality of care by redesigning the Medicaid program with a keen focus on patients and improving the care they count on.

CHA is proposing a plan that aligns with the state's health reform agenda; builds upon the existing Medicaid FFS payment system; focuses on programs to improve access to appropriate care, thereby reducing disparities and improving population health; uses quality metrics to track and reward change; and invests in hospitals that achieve the shared vision.

St. Vincent's Medical Center has always been committed to improving patient care and ensuring that every person receives safe, excellent care. In fact St. Vincent's has transformed its clinical practices over the last several years, mandating a "high reliability" safety training program for every employee regardless of position. The implementation of the safety program has resulted in numerous awards for St. Vincent's, including four consecutive "A" Hospital Safety Score™ designations by Leapfrog and ranking as Best Hospital in Fairfield County and in all of Western Connecticut for 2013-2014 by U.S. News & World Report in its annual "Best Hospitals" survey. In addition, in 2012, St. Vincent's Medical Center became the only Fairfield County hospital to achieve Magnet® recognition from the American Nurses Credentialing Center. St. Vincent's has also been featured by the Joint Commission as a model of a high reliability organization.

Investing in better care for the people of Connecticut is a good investment for the state. CHA is proposing a series of incentives that are tied to producing results. The incentives would be sourced by a \$30 million appropriation of state funds, which would be matched by \$70 million in federal funds. Payout from the incentive pool would be conditioned on achieving results.

CHA's plan would improve people's lives. We are ready to put the plan in place effective July 1, 2014. Please vote to modify the budget to include the investment dollars necessary to make it happen.

Thank you for your consideration of our position.